

TransAlta Comments

From: Braydon Boulanger [mailto:Braydon_Boulanger@transalta.com]
Sent: Friday, August 02, 2013 9:43 AM
To: Howe, Joelle@ARB
Cc: McCartney, Wade@ARB; Edwards, David@ARB; Bode, Richard@ARB
Subject: Comments MRR EPE Webinar July 23

TransAlta thanks ARB for hosting the July 23rd webinar for electric power entities. These comments are focused on clarifying questions to the draft changes that may impact power imports under the California Regulation for the Mandatory Reporting of Greenhouse Gas Emissions.

For addition to 95111(a)(4)

What evidence is required, to "warrant" the re-sale of a specific source contract? Does a specified "power contract" that references a unique facility, unit, of ACS, constitute a satisfactory warranty?

Revised subsection 95111(a)(5)

From Staff comments made during the workshop, it was apparent that direct counterparty transactions with Bonneville Power Administration would be considered specified. From correspondence with staff, it is clear that written power contracts are still mandatory for specified claims. Given the clarity, TransAlta has a follow up inquiry:

If a written power contract/summary statement is not in place for direct deals done over the phone with BPA, must these transactions be reported as unspecified?

New Subsection 95111(b)(5)

Staff has proposed amending the MRR to apply high emission system factors. As a result of this addition, we request that Staff clarifies:

- a) The definition of a "system", and how will these be identified, and verified?
- b) If this new "system" rate, only applies when the owner/ GPE of the system is the first deliverer?
- c) Whether power sourced from these "systems" can be sold as unspecified?

Guidance on section 95111(g)(1)(N)

TransAlta requests that ARB develops a guidance document for verifiers and reporting entities that denotes the data and documentation that must be retained for verification purposes. This would include data and contract requirements for both short and long term transactions pertaining to specified sources, GPEs, and ACS sources.

Lastly, TransAlta is extremely concerned about statements made by staff at the July 23rd webinar that the proposed regulatory changes could be applied retroactively. That is, the changes would go into effect as of January 1, 2014 and would apply to electricity imports made during 2013. The rationale provided for the proposed retroactivity of regulatory changes was staff's position that the proposed changes are merely clarifications of existing rules. According to the MRR, emissions obligations occur when the power is delivered, and not when the contract is executed. TransAlta strongly feels that regulations should only be prospective, and that the current regulatory text in place at the time when a transaction is executed, should be enforceable on the power when it is imported. Without this assurance, it is extremely difficult to forward contract power, and confidently take into consideration the price signals created by cap and trade.

TransAlta thanks you for considering these clarifying amendments to the Regulation, and requests that ARB hosts another workshop to further discuss reporting for electric power entities, prior to submitting draft regulations for approval.

I appreciate your efforts,

Braydon

Braydon Boulanger

Emissions Analyst

Email: Braydon_Boulanger@transalta.com

P: (403) 267-5833 | C: (403) 828-1586

Box 1900, Station "M" | 110-12 Avenue S.W. Calgary, AB T2P 2M1

